



# ENERGY ASSURANCE DAILY

Monday, June 19, 2006

## ***Major Developments***

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### **Heavy Rain and Flash Flooding Hit Texas Coast June 19**

#### **Total's 233,000 b/d Port Arthur Refinery in Texas Curbs Production**

#### **Major Highway to Houston's 'Refinery Row' Closed**

#### **Power Knocked Out to 43,000 Customers Across Texas**

Flash flooding triggered by heavy rain caused numerous energy infrastructure disruptions along the Texas Gulf Coast this morning. Flooding forced Total to shut four units and reduce rates to six more units at its 233,000 b/d Port Arthur refinery in Texas. A state of emergency was declared in South Houston, where more than 11 inches of rain caused bayous to overflow, closing several major highways, including a critical road running through Houston's "refinery row." The heavy rains also sank a barge carrying steel coils in the Green Bayou area of the Port of Houston but according to the U.S. Coast Guard, oil tanker traffic will not be affected. In addition, CenterPoint Energy, a local Houston utility, reported that 18,000 customers lost power overnight as lightning interfered with power lines. Texas Gov. Rick Perry has sent National Guard troops to Houston and officials have warned that another 7 inches of rain could fall by the end of the day, worsening conditions. Elsewhere in Texas, TXU Electric reported that 25,000 customers lost power in the Dallas-Fort Worth area on June 18 due to the storm.

Reuters, 12:23 June 19, 2006

Reuters, 11:29 June 19, 2006

Reuters, 11:11 June 19, 2006

<http://www.forbes.com/home/feeds/ap/2006/06/19/ap2825066.html>

## ***Electricity***

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### **Update: SoCal Edison Ends Efforts to Restart 1,580 MW Mohave Plant in Nevada**

Edison International, the parent of Southern California Edison announced that it has given up efforts to restart its 1,580 MW Mohave generation station in Laughlin, Nevada. The facility was closed at the end of 2005 as part of a consent decree requiring installation of pollution control equipment for the plant to operate beyond the end of 2005. Reuters, 13:33 June 19, 2006

### **CPUC Approves PG&E's Contra Costa Unit 8 in California**

On June 15, California Public Utilities Commission approved Pacific Gas and Electric Co. to complete the construction and operate the partially constructed Contra Costa Unit 8. PG&E purchased the unit from Mirant in 1005, and the company is scheduled to complete the construction in 2008. Located near Mirant's existing power facilities, the unit will supply electric power to the customers in northern and central California.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BhlrmhmtZTkh%7DGL%7Dbfel%5Dv>

### **New AEP 765kV Transmission Line Enters Service in West Virginia**

On Monday, June 19, AEP will energize a new 765 kV transmission line running between Wyoming County in West Virginia and southwestern Virginia. The line is the first to be constructed in the area since 1973.

Reuters, 12:35 June 19, 2006

### **Cal ISO Issues First Need -for-Conservation Notice of the Year**

Reuters, 19:11 June 16, 2006

### **Entergy's 968 MW River Bend Nuke Ramps up to 98 Percent Capacity in Louisiana**

According to a report from the Nuclear Regulatory Commission, the 968 MW River Bend nuclear generating station of Entergy Louisiana was operating at 98 percent of capacity by early June 19. The unit had been taken out of service on June 16 so that a leak in a steam turbine valve could be repaired.

Reuters, 07:39 June 19, 2006

### **DTE's 1,111 MW Fermi Unit 2 Nuke Ramps up to 58 Percent in Illinois**

The 1,111 MW unit 2 at DTE's Fermi nuclear generating station in Illinois exited an out age and had ramped up to 58 percent of capacity by early June 19. The facility was shut on June 15 when a transformer failed.

Reuters, 07:33 June 19, 2006

### **Update: FPL's 839 MW St Lucie Unit 2 Nuclear Plant Exits Outage; Ramps Up to 80 Percent in Florida**

FPL's St Lucie nuclear plant in Florida exited an outage and had ramped up to 80 percent of capacity by early June 19. The facility was shut on June 15 to repair a problem with a seal. At that time, the plant was operating at 45 percent of capacity as it exited a refueling outage.

Reuters, 07:30 June 19, 2006

### **PPL's 1,135 MW Susquehanna Nuclear Plant Unit 1 at Full Power in Pennsylvania**

The 1,135 MW unit 1 at the Susquehanna nuclear generating station in Pennsylvania which automatically shut on June 15 due to erroneous electronic signal in a system, exited an outage and had ramped up to 37 percent of capacity by early Monday.

Reuters, 07:18 June 19, 2006

<http://biz.yahoo.com/prnews/060618/nysu018.html?.v=53>

### **OPG's 515 MW Pickering Unit 1 Nuke Shut in Ontario June 19**

According to Ontario Power Generation, the 515 MW unit 1 at its Pickering nuclear generating station in Ontario was shut on June 18 so that a service water valve could be serviced. The unit is expected to return to service by June 25.

Reuters, 10:28 June 19, 2006

### **AES' 495 MW Alamos Gas-fired Unit 6 Shut June 18 in California**

Reuters, 11:17 June 19, 2006

### **Complete's 256 MW LaPaloma Gas-fired Unit 3 Shut in California June 18**

Reuters, 11:17 June 19, 2006

### **Complete's 259 MW LaPaloma Gas-fired Unit 4 Shut in California June 10**

Reuters, 11:17 June 19, 2006

### **InterGen's 322 MW LaRosita Gas-fired Unit 2 in California Shut June 18**

Reuters, 11:17 June 19, 2006

### **Calpine's 301 MW Los Medanos Gas-fired Plant in California Shut June 18**

Reuters, 11:17 June 19, 2006

### **Reliant's 215 MW Mandalay Gas-fired Unit 2 in California Shut June 18**

Reuters, 11:17 June 19, 2006

### **Sempra's 625 MW Termoelectrica Gas-fired Plant in Mexico Shut June 18**

Reuters, 11:17 June 19, 2006

### **FCC Unit Trips at Exxon Mobil's 563,000 b/d Baytown Refinery in Texas June 16**

According to a notice filed by the Texas Commission on Environmental Quality, the fluid catalytic cracking unit "tripped offline" while undergoing maintenance. The FCC unit, which had been shut for an overhaul that began in May, was expected return to production last week. Company spokesman said that Exxon was working on restarting the unit but gave no timetable for when production would resume.

Bloomberg, 13:14 June 19, 2006

Bloomberg, 9:32 June 19, 2006

Reuters, 13:53 June 19, 2006

### **Vapor Leaks at Shell's 340,000 b/d Deer Park Refinery in Texas June 17**

A storage tank released benzene-rich pyrolysis gas triggering a "shelter-in-place" alert in the surrounding community and the forcing a local highway to close. The leak is reported to be under control; as a result, the alert has been lifted and the highway reopened. According to Shell the incident is under investigation but production at the plant has not been affected.

Reuters 14:08 June 19, 2006

Reuters, 12:44 June 19, 2006

### **Shell Cuts Feeds to Olefins 3 Units at Deer Park Chemical Plant in Texas June 17**

The Olefins 3 Units experienced a loss of hydrogen, causing flaring and an "emissions event." The chemical plant supplies the adjacent 340,000 b/d Shell refinery in Deer Park, Texas with hydrogen, which is used to reduce sulfur content in motor fuels to meet U.S. regulations. The Deer Park refinery primarily processes high-sulfur Latin American crude oil. It is not known if production at the refinery will be affected.

Reuters, 09:17 June 19, 2006

### **FCC Unit Glitch Causes Flaring at Marathon's 72,000 b/d Texas City Refinery in Texas June 15**

Marathon reported that a debutanizer caused flaring at the overhead receiver when it was restarting the fluid catalytic cracking unit on June 15. The FCC unit was being restarted after an emergency shutdown.

Reuters, 17:42 June 16, 2006

### **FCC Glitch Causes Flaring at Valero's 250,000 b/d Port Arthur Refinery in Texas June 18**

The company said that production at the refinery has not been materially impacted by the failure of an air blower at its fluid catalytic cracking unit, which led to flaring and emissions releases. On June 19, Valero said that workers had been unable to repair the blower but are working on an overtime basis to fix the problem.

Reuters, 12:55 June 19, 2006

Reuters, 11:58 June 19, 2006

### **SCOT Unit Repaired at Alon's 70,000 b/d Big Spring Refinery in Texas June 16**

The company had been studying repairs to the unit after it began releasing sulfur dioxide on June 13. A SCOT unit increases a refinery's recovery of sulfur, thereby boosting the amount of usable material derived from the refining process.

Reuters, 18:13 June 16, 2006

### **Vapor Leaks at Valero's 195,000 b/d Paulsboro Refinery in New Jersey June 17**

The company said the release was quickly contained and had no material impact to production.

Reuters, 11:56 June 19, 2006

Bloomberg, 12:04 June 19, 2006

### **Nigeria Threatens Embargo on Exxon Mobil's 225,000 b/d Bonga Crude**

According to a government spokesman, Nigeria has threatened to halt exports from Shell's Bonga offshore venture unless the company agrees to pay royalties. Shell started up the long-delayed Bonga project in November 2005. Shell has already lost 505,000 b/d in Nigeria due to rebel attacks. Nigeria supplied 8 percent of total U.S. oil imports in 2005.

Bloomberg, 13:51 June 19, 2006

### Update: Iraq Resumes Selling Oil From North

The state marketer SOMO is offering six million barrels of Kirkuk crude for loading between June 27 and July 1. Exports of oil from the north have been shut for nearly a year due to relentless sabotage to the Iraq-Turkey pipeline. Reuters, 13:10 June 19, 2006

## Natural Gas

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### Southern's 750 MMcf/d Sea Robin Natural Gas Plant in Louisiana Shut June 19

Southern Union said that the natural gas processing facility was shut down for emergency maintenance and will not process or dehydrate gas during the 24-hour outage. The Sea Robin plant had just returned to service in late March following extensive hurricane damage last year.

Reuters, 10:53 June 19, 2006

## Other News

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### SynFuel Inc. to Build a Lignite Gasification Plant in Louisiana

SynFuel received the permits to construct a lignite gasification plant that would produce variety of fuels, including methanol, ethanol, synthetic gas, liquid petroleum gas, and gasoline in Baton Rouge, Louisiana. The company will file environmental permits by end of this month and will begin construction in June 2007. The final production line is scheduled to be completed in 2010.

<http://www.platts.com/Petrochemicals/News/7535979.xml?p=Petrochemicals/News&sub=Petrochemicals>

## Energy Prices

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U.S. Oil and Gas Prices			
June 19, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	69.05	70.40	58.40
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	6.71	6.46	7.61

Source: Reuters

## Energy Notes

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Nothing to report.

## Links

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***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

## **ENERGY ASSURANCE DAILY**

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<http://www.oe.netl.doe.gov/index.aspx>.

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